

**COASTAL IMPACT ASSISTANCE
PROGRAM**

**GRANT APPLICATION
GUIDELINES**

**U.S. Department of the Interior
Minerals Management Service
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Coastal Impact Assistance Program Grant Guidelines

1. SUMMARY

The Coastal Impact Assistance Program (CIAP) was established under Section 384 of the Energy Act of 2005. The CIAP authorizes the Secretary of the Interior to disburse funds to Outer Continental Shelf (OCS) oil and gas producing states to mitigate the impacts of OCS oil and gas activities. Under the CIAP, the Secretary will disburse \$250 million each fiscal year from 2007 to 2010 to eligible States and Coastal Political Subdivisions (CPS's). The Secretary has delegated authority for implementing CIAP to the Minerals Management Service (MMS). CIAP money will be shared among Alabama, Alaska, California, Louisiana, Mississippi, and Texas, and will be allocated to each producing State and eligible CPS's based upon allocation formulas prescribed by the Act. All funds will be disbursed through a non-competitive grant process. This document provides guidance to States and CPS's for submitting grant applications to MMS, and an overview of the grants process.

All announcements concerning CIAP grants will be available through the Grants.gov website. The URL for Grants.gov is <http://www.grants.gov>.

FOR FURTHER INFORMATION CONTACT: Ms. Kathy Craig, CIAP Grants Team Leader, Minerals Management Service, 381 Elden St., Herndon, Virginia 20170. Telephone: (703) 787-1332.

2. INTRODUCTION

The Coastal Impact Assistance Program (CIAP) provides grants to eligible States and Coastal Political Subdivisions (CPS's) for one or more of the following purposes:

1. Projects and activities for the conservation, protection, or restoration of coastal areas, including wetland;
2. Mitigation of damage to fish, wildlife, or natural resources;
3. Planning assistance and the administrative costs of complying with CIAP;
4. Implementation of a federally-approved marine, coastal, or comprehensive conservation management plan; and
5. Mitigation of the impact of OCS activities through funding of onshore infrastructure projects and public service needs.

Under CIAP, the Secretary of the Interior, through the Minerals Management Service, will disburse \$250 million for each fiscal year (FY) 2007 through 2010 to eligible producing States and CPS's. The funds allocated to each State are based on the proportion of qualified Outer Continental Shelf (OCS) revenues offshore the individual

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State to total qualified OCS revenues from all States. In order to receive CIAP funds, States are required to submit a coastal impact assistance plan that MMS must approve prior to disbursing any funds. After a State Plan has been approved by MMS, CIAP recipients within the State may submit grant applications for projects included in the Plan. All CIAP funds will be disbursed through a grant process. This document provides guidance to States and CPS's for submitting grant applications to MMS, and an overview of the grants process.

The MMS will implement the CIAP grant program consistent with the Federal Financial Assistance Management Improvement Act of 1999 (known as Public Law 106-107). The Act designates the Office of Management and Budget to direct, coordinate, and assist Federal agencies in establishing common applications, systems, and uniform rules to improve the effectiveness and performance of Federal grants. Under the Act, Federal grant-making agencies are now required to streamline and simplify their application, administrative, and reporting procedures. This includes enabling applicants to apply for and report on the use of Federal grant funds electronically. The MMS will utilize Grants.gov as its electronic system for submitting grants. All announcements concerning CIAP grants will be available through the Grants.gov website. The URL for Grants.gov is <http://www.grants.gov>.

3. GRANT PROCESS REQUIREMENTS

The CIAP grant process is governed by three primary documents:

1. 43 CFR Part 12 *Administrative and Audit Requirements and Cost Principles for Assistance Programs* (see: http://www.access.gpo.gov/nara/cfr/waisidx_04/43cfr12_04.html).
2. 2 CFR Part 225 *Cost Principles for State, Local, and Indian Tribal Governments (formerly OMB Circular A-87)* (see: <http://ecfr.gpoaccess.gov>).
3. OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* (see: <http://www.whitehouse.gov/omb/circulars/index-slg.html>).

The MMS will follow applicable provisions of these rules and regulations when awarding, administering, and closing out CIAP grants.

4. THE CATALOG OF FEDERAL DOMESTIC ASSISTANCE

The Catalog of Federal Domestic Assistance (CFDA) is a guide that describes U.S. government assistance programs and activities, including grant programs. Each program is assigned a CFDA number. The number for the Coastal Impact Assistance Program (CIAP) is 15.426. The web site for the CFDA is: www.cfda.gov.

To see general information about the CIAP in the CFDA, use CFDA number 15.426 in the search engine.

5. THE APPLICATION PROCESS

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Applicants for CIAP grants will be able to apply for CIAP funds online through Grants.gov. Grants.gov is an electronic system designed to streamline and simplify submittal of grant applications to the Federal Government. There are two key features on the website: Find Grant Opportunities and Apply for Grants. Everything else on the site is designed to support these two features. The MMS will post a brief synopsis of the CIAP program at Find Grant Opportunities, and a comprehensive program announcement at Apply for Grants.

The CIAP program announcement will include: the funding opportunity description; application and submission requirements; application review process; and award administration information. It's scheduled to be posted at Grants.gov in Spring, 2007.

Each CIAP project application must be submitted to the MMS through the Apply for Grants portal. Before CIAP recipients can apply for a grant using Grants.gov, several registration steps are required. Complete registration instructions are described in detail at the Grants.gov website (<http://www.grants.gov>). CIAP recipients are encouraged to register as soon as possible. These steps include:

Step 1—Register with Central Contractor Registry (CCR)

Register with the CCR online at <http://www.ccr.gov> or by calling 1-888-227-2423. CCR registration should be received within 3 business days. Registrants must supply a DUNS number at the time of registration. Obtain a DUNS number from Dun & Bradstreet before registering with CCR. Many organizations already have a DUNS number. To determine if your organization already has a DUNS number or to obtain a DUNS number, contact Dun & Bradstreet at 1-866-705-5711. This will take about 10 minutes and is free of charge. Be sure to complete the Electronic Business Primary Point-of-Contact field during the CCR registration process. This mandatory field is required when submitting grant applications through Grants.gov.

Step 2-- Register with the Credential Provider.

The next step is to register with the Credential Provider at <https://apply.grants.gov/OrcRegister> to receive a username and password. This will be required to securely submit a grant application.

Step 3—Register with Grants.gov.

The final step is to register with Grants.gov at <https://apply.grants.gov/GrantsgovRegister>. This will be required to submit grant applications on behalf of your organization. After completing the registration process, an email notification will be sent to confirm that your organization can submit applications through Grants.gov.

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Once registered, CIAP recipients may submit grant applications after the CIAP program announcement is posted on Grants.gov in fall, 2007. Applicants will find the program announcement for the CIAP by searching the Find Grant Opportunities portal for CFDA number 15.426. CIAP recipients must download the PureEdge Viewer before being able to view or submit application forms. The PureEdge Viewer is available at this web site: http://www.grants.gov/applicants/apply_for_grants.jsp.

After accessing the CIAP program announcement, Grants.gov will provide guidance about the application process, including a listing of mandatory forms that must be completed for each grant. Depending on whether your project is non-construction or construction, the mandatory forms include:

Non-Construction Grant Forms

- SF-424M Application for Federal Assistance-Mandatory
- SF-424A Budget Information-Non-Construction Programs
- SF-424B Assurances-Nonconstruction Programs
- Project Narrative Attachment Form
- Budget Narrative Attachment Form
- SF-LLL Disclosure of Lobbying Activities (applications over \$100,000)

Construction Grant Forms

- SF-424M Application for Federal Assistance-Mandatory
- SF-424C Budget Information-Construction Programs
- SF-424D Assurances-Construction Programs
- Project Narrative Attachment Form
- Budget Narrative Attachment Form
- SF-LLL Disclosure of Lobbying Activities (applications over \$100,000)

Two separate program announcements will be posted at Grants.gov, one for non-construction and one for construction. When applying for the CIAP grant, there will be a box in the application forms section of Grants.gov that contains the mandatory forms outlined above. The program announcement that's selected (construction or non-construction) will determine which forms will be available in the mandatory forms section of the Grants.gov application portal.

The Project Narrative Attachment Form will require the information identified in Appendix F of the CIAP guidelines, dated September 29, 2006, for each grant application. For specific regional guidance, contact your Regional CIAP Representative.

6. THE REVIEW PROCESS

After the application has been successfully submitted, MMS will download it. The MMS review and approval of the application will occur at several levels. The MMS Regional CIAP Project Officers will review the programmatic, technical, and environmental aspects of the project to ensure compliance with CIAP requirements. Programmatic requirements are spelled out in the CIAP Guidelines, issued September 29, 2006. The

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MMS Contracting Officer will review the application to determine if the application is complete, and will also conduct a budget analysis. A review by the Department of the Interior Office of the Solicitor is required for grants totaling \$750,000 or more.

The Contracting Officer will analyze the budget proposal by individual cost elements. Each cost element must be determined to be reasonable, allowable, and allocable to the project under OMB cost principles (see 2 CFR Part 225 [*Cost Principles for State, Local, and Indian Tribal Governments*](#)). If the Contracting Officer cannot make a determination that all costs are acceptable, additional information may be required of the applicant.

Upon completion of all reviews, MMS will prepare the grant award document for signature. The award document must be signed by a person that has authority to bind the recipient organization contractually. After the document is signed by the CIAP recipient, it must be returned to MMS for countersignature by the Contracting Officer. The Contracting Officer will then establish an account in the U.S. Department of the Treasury Automated Standard Application for Payments (ASAP) System.

Every effort will be made to complete the necessary grant application reviews and award the grants in a timely manner. Factors that can affect the timely award of a grant are the complexity of the project, the completeness of the application, and the volume of grant applications submitted.

7. GRANT PAYMENTS VIA THE AUTOMATED STANDARD APPLICATION FOR PAYMENTS (ASAP)

The U.S. Department of the Treasury ASAP System allows recipient organizations to draw from accounts pre-authorized by Federal agencies. Information about the ASAP System may be obtained at <http://fms.treas.gov/asap/index.html>.

The ASAP System requires enrollment before it is available for recipients to draw down funds. The ASAP System uses an on-line, web-based enrollment process. This is a one-time enrollment, even if the recipient organization uses the system to request payments from more than one Federal agency.

Each CIAP recipient organization will be asked to provide information to the MMS ASAP point-of-contact, called the Enrollment Initiator. This will include: the organization name and address, the name, address, phone number and E-mail address of the designated ASAP point-of-contact, the Dun and Bradstreet number (DUNS), and the Tax Identification Number (TIN). This information will be submitted to ASAP by the MMS Enrollment Initiator for the CIAP program.

If your organization is already enrolled in ASAP, they will add an authorization to withdraw funds from the MMS. However, recipient organizations are now required to link their banking data to each Federal agency in which funds are withdrawn. After MMS submits the contact information requested, the recipient organization will be notified by ASAP to link their banking information to the MMS. If the recipient

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organization fails to link their banking data, MMS will be unable to set up an account at the time the grant is awarded.

Some CIAP recipients have never enrolled in ASAP. The ASAP representative will make that determination from the list of all CIAP recipients provided by MMS, and will contact those organizations to provide instructions for completing the enrollment. Once ASAP completes the enrollment process, it will send out a User ID, password and an instruction packet describing, in detail, how a recipient withdraws funds from the system.

Once a recipient is enrolled in the ASAP System and has received a User ID and password, the next step, after the grant is awarded, is for MMS to establish funds in the system. Recipients can learn if funds are available by logging into the ASAP System. A funding availability notification will be displayed when the recipient logs into ASAP. Recipients will know that the funds are available when they receive their grant award document from the MMS with the Contracting Officer's signature.

8. FEDERAL CASH TRANSACTIONS REPORTS (FOR ADVANCES ONLY)

Recipients must submit the Standard Form 272, Federal Cash Transaction Reports and, when necessary, its continuation form, to MMS, which will use the form to monitor the cash advanced to recipients and to obtain disbursement or outlay information for each grant. These reports must be submitted no later than 15 working days following the end of each fiscal quarter.

9. PERFORMANCE AND FINANCIAL STATUS REPORTING REQUIREMENTS

The CIAP program will use specific performance goals and objectives for each project to measure project performance. CIAP recipients will be held accountable for achieving the overall goals stated within the individual CIAP grants, and for submitting performance and financial status information in a timely manner.

Requirements for CIAP projects are regulated by [43 CFR Part 12](#). These regulations specify basic grant reporting requirements including performance and financial reports (see 43 CFR 12.80 and 12.81). MMS will work closely with recipients to incorporate appropriate performance and financial reporting requirements into each grant agreement, consistent with 43 CFR 12.80 and 12.81. These regulations provide some flexibility in determining the appropriate content and frequency of performance and financial reports. At a minimum, however, the reporting schedule will require recipients to report at least annually.

Performance Reports

CIAP recipients must submit performance reports as required by 43 CFR 12.80. Annual performance reports are due within 90 days after the grant performance year ends. Quarterly and semi-annual reports, if required, are due 30 days after the reporting period,

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and will only be required on a case-by-case basis. The final performance report will be due within 90 days after the expiration or termination of the grant. Performance reports should contain the following information:

- (1) A comparison of actual work accomplished relative to the annual goals and objectives established for the period. Where the output of the project can be quantified, a computation of the cost per unit of output may be required. For construction grants, MMS may rely upon on-site technical inspections and certified percentage-of-completion data to monitor progress;
- (2) The reasons for slippage, if established goals and objectives were not met; and
- (3) Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

The performance reports should also describe any foreseeable events that may occur affecting the project's completion schedule. These may include:

- (1) Problems, delays, or adverse conditions that may materially impair the ability to meet the objective of the award. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation; or
- (2) Favorable developments that may enable achieving time schedules and objectives sooner or at less cost than anticipated, or producing more beneficial results than originally planned.

The Contracting Officer may extend the due date of an annual or final performance report upon receipt of a request from the recipient's designated grant administrator. The request for an extension must be sent to the MMS Contracting Officer *prior to* the original due date. Requests must be submitted in writing, and include the revised due date and a justification for the extension.

CIAP recipients will not be required to submit more than the original and two copies of the performance report.

Financial Status Reports

CIAP recipients must submit financial reports as required by 43 CFR 12.81. The purpose of financial reports is to ensure that expenses are recorded in the proper period, and for de-obligating funds at the end of the grant period. Financial Status Report forms are available from the OMB web site:

http://www.whitehouse.gov/omb/grants/grants_forms.html.

The SF- 269A, Financial Status Report (Short Form) is used to report the status of funds for all non-construction and construction grants, except the SF- 269, Financial Status

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Report (Long Form) must be used if stewardship land is purchased under the grant. Requirements for reporting stewardship land will be furnished at the time of grant award.

Financial Status Reports will be required annually for each CIAP grant award, unless MMS requires more frequent reporting from a recipient. Annual financial status reports are due 90 calendar days after the grant year (i.e., 12 months after the approved effective date of the grant, and every 12 months thereafter, until the expiration date of the grant). Final Financial Status Reports will also be due 90 calendar days after the expiration or termination of the grant.

The MMS may require financial reports more frequently if the recipient: (a) has a history of poor performance, (b) is not financially stable, (c) has a management system that does not meet the standards prescribed in the applicable OMB Circular 2 CFR 225 *Cost Principles for State, Local, and Indian Tribal Governments*, (d) has not conformed to the terms and conditions of a previous CIAP award, or (e) is not otherwise responsible. In addition, MMS may require a monthly or quarterly report from those recipients receiving advances totaling \$1 million or more per year.

The MMS may impose additional requirements as needed, provided that the CIAP grant recipient is notified in writing as to: the nature of the additional requirements, the reason why the additional requirements are being imposed, the nature of the corrective action needed, the time allowed for completing the corrective actions, and the method for requesting reconsideration of the additional requirements imposed.

The Contracting Officer may extend the due date of a financial status report upon receipt of a request from the recipient CIAP grant administrator, provided that the request for an extension is received by the MMS Contracting Officer *prior to* the financial report's original due date. Requests must be submitted in writing, include the revised report due date requested, and a justification for the extension.

10. CHANGES TO THE GRANT AWARD

MMS will follow the procedures and requirements stated in 43 CFR 12.70 for changes to grant awards. Additional information may be obtained at:

http://www.access.gpo.gov/nara/cfr/waisidx_04/43cfr12_04.html.

CIAP recipients will be allowed to re-budget within the cost categories that are approved under the grant award. However, there are certain post-award changes that require prior written approval by the MMS Contracting Officer. They include, but are not limited to:

Funding Changes

- (1) For non-construction and construction, any revision that would require additional funding;
- (2) For a transfer of funds between non-construction and construction within a grant award;

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(3) For non-construction, cumulative transfers among direct cost categories, or, if applicable, among separately budgeted programs, projects, functions, or activities which exceed or are expected to exceed 10% of the current total approved budget

when the Federal funding exceeds \$100,000; or

(4) For non-construction, transfer of funds allotted for training purposes.

Programmatic Changes (for construction and non-construction)

(1) Any revision in the scope or objectives of the project (regardless of whether there is an associated budget revision requiring prior approval);

(2) Requests to extend the period of availability of funds;

(3) Changes in key persons in cases where specified in an application or grant award; or

(4) For non-construction projects, contracting out, sub-granting (if authorized by law) or otherwise obtaining the services of a third party to perform activities which are central to the purposes of the award.

11. SUBGRANTS

The States and CPS's may execute all or part of a CIAP project by providing financial assistance: i.e., sub-grants, to another party such as a local unit of government, university, or nonprofit organization. The sub-grantee is subject to the administrative and cost requirements under 43 CFR Part 12 that apply to that type of organization. For example, if a state awards a sub-grant to a university, hospital or other nonprofit organization, that sub-grantee must adhere to the administrative requirements found at 43 CFR Parts 12.901 through 12.973 *Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*, not the administrative requirements for state and local governments found at 43 CFR Parts 12.41 through 12.92. They would also use the cost principles applicable to their type of organization.

12. DEMONSTRATED FINANCIAL AND ADMINISTRATIVE CAPABILITY REVIEW

The MMS intends to conduct financial and administrative capability reviews of each State and CPS. States and CPS's, as well as their sub-grantees, must have cost controls and accounting policies covering their financial management systems that meet OMB standards for fund control and accountability. This includes procedures that minimize the time elapsing between the transfer of funds and their disbursement. Other areas subject to review include the recipient's procurement procedures, personnel practices, and procedures for selecting and monitoring sub-grantees, if applicable.

Recipients will be asked to provide financial information such as: the results of the most recent A-133 audit reports, information about reviews from other government agencies, financial statements, and credit reports. Also, written policies concerning: procurement practices, property management, human resources, and management of sub-grantees.

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13. MONITORING AND OVERSIGHT (SITE VISITS AND AUDITS)

The MMS may conduct site visits during the performance of the grants, and audits at the end of the performance period, as appropriate. The primary purpose of a site visit or audit is to review the progress of the project, and to ensure that financial, procurement, human resources, property systems and sub-grantee awards are in compliance with Federal requirements.

The program review may include a review of the goals, objectives, activities, and services described in the project application. On the basis of this information, MMS will determine if sufficient progress has been made, and if project goals have been attained during the performance period of the CIAP grant.

The financial review will include a review of both the basis for cost estimates and the supporting documentation that validates billed costs. This could include:

- a review of the recipient's system of control and accountability for funds acquired under the grant;
- written documentation on the recipient's accounting procedures;
- documents that identify the source of the funds and how they were used, including a comparison of actual costs to budget amounts submitted on the project application;
- the amount of time elapsed between ASAP funds draw down and actual disbursement of the funds;
- current audit reports;
- how audit questions were resolved; and,
- whether revisions to the budget were properly executed.

If procuring property or services under the grant, a review would include:

- the written procurement policies and procedures of the recipient, including ethical standards;
- the efforts made to include small businesses, small disadvantaged veteran-owned businesses, minority-owned businesses, HUB Zone businesses, and women-owned businesses;
- the procurement files and the documentation contained within;
- performance documentation of the contractors and adherence to the terms, conditions, and specifications contained in the contract;
- adequate administration of contracts; and
- whether procurements were conducted using fair and open competition among businesses, with an emphasis on using small businesses.

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The regulations at 43 CFR Part 12, Sections 12.76 and 12.705 through 12.830 (found at: http://www.access.gpo.gov/nara/cfr/waisidx_04/43cfr12_04.html) provide detailed instructions for how recipients should conduct procurements.

For construction grants, recipients must demonstrate that they did not select contractors or bidders based on any agreement or lack of an agreement with a labor union, or that the recipient made such an agreement a condition for an award.

For property, equipment and supplies valued at \$5,000 or above, the review would include:

- property description;
- serial or identification number;
- source of the property/equipment/supplies;
- who holds title;
- acquisition date;
- cost;
- location and condition of the property;
- physical inventories and control system in place;
- maintenance records; and
- any sales/disposition data.

States and CPS's may use, manage, and dispose of equipment acquired under the CIAP grants in compliance with their own State laws and procedures.

The national policy requirements review would include compliance with applicable federal laws, *but not limited to*:

- The Equal Protection Clause of the 14th Amendment (guaranteeing equal treatment to all groups);
- Title VI of the Civil Rights Act of 1973, as amended in 1978 (prohibiting discrimination on the basis of race, color, and national origin in an program receiving federal funding);
- The Rehabilitation Act of 1973, as amended in 1978, (prohibiting discrimination against the handicapped);
- The Age Discrimination Act of 1975 (prohibiting discrimination on the basis of age);
- Title VII of the Civil Rights Act (prohibiting employment discrimination by recipients on the basis of sex, race, color, religion, and national origin); and,
- Restrictions on Lobbying

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CIAP recipients are advised to consult qualified legal experts concerning laws applicable to a specific project.

14. GRANT CLOSE OUT

A CIAP grant cannot be closed out until MMS determines that all applicable administrative actions and required work has been completed. Recipients must submit all financial, performance and any other reports that may be required to MMS within 90 days of the expiration of the last performance period. Recipients must return any unobligated cash advances back to the MMS within this time period.

--End of Grant Guidelines--